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*NOT ADMITTED IN D.C.

November 26, 1991

17603
REGISTRATION NO. FILED 1425

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INTERSTATE COMMERCE COMMISSION

NOV 26 1991
9 52 AM '91
TELETYPE UNIT

VIA HAND DELIVERY

The Honorable Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

Re: Locomotive Lease Agreement between
Montana Rail Link, Inc. and Burlington
Northern Railroad Company

Dear Mr. Strickland:

Enclosed herewith please find an original and one
certified true copy of the document described below, to be
recorded pursuant to Section 11303 of Title 49 of the U.S.
Code.

This document is a Locomotive Lease Agreement, a primary
document, dated November 11, 1991.

The names and addresses of the parties to the documents
are as follows:

Lessor:

Montana Rail Link, Inc.
P.O. Box 8779
Missoula, Montana 59807

Lessee:

Burlington Northern Railroad Company
2900 Continental Plaza
777 Main Street
Fort Worth, Texas 76102

Handwritten signatures and initials on the left margin, including "H. E. Weiner" and "C. Davidson".

WEINER, MCCAFFREY, BRODSKY, KAPLAN & LEVIN, P.C.

Hon. Sidney L. Strickland, Jr. -2-

November 26, 1991

A description of the equipment covered by the document is attached as Schedule A to the Agreement.

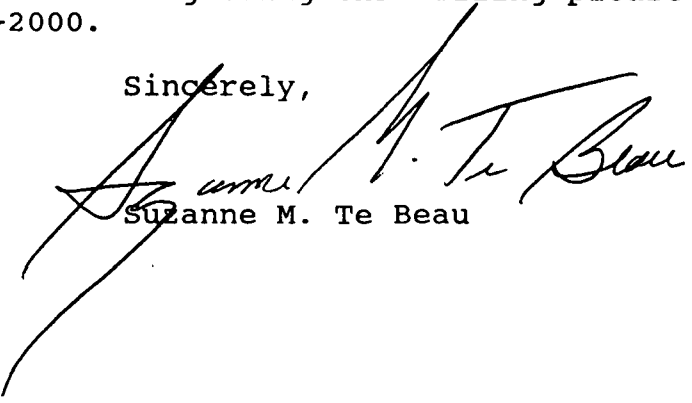
A fee of \$16.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the representative of this firm filing this document.

A short summary of the document to appear in the index follows:

A Locomotive Lease Agreement between Montana Rail Link, Inc., P.O. Box 8779, Missoula, MT 59807, and Burlington Northern Railroad Company, 2900 Continental Plaza, 777 Main Street, Fort Worth, TX 76102, dated November 11, 1991, and covering ten (10) General Motors (EMD) SD40 diesel electric locomotives, bearing reporting marks MRL 200, 206, 213, 215, 216, 218, 220, 221, 222, 223.

If you have any questions regarding this filing please contact me at (202) 628-2000.

Sincerely,



Suzanne M. Te Beau

Interstate Commerce Commission
Washington, D.C. 20423

11/26/91

OFFICE OF THE SECRETARY

Sueanne M. Te Beau

Weiner Mc Caffrey Brodsky Kaplan & Levin

Levin

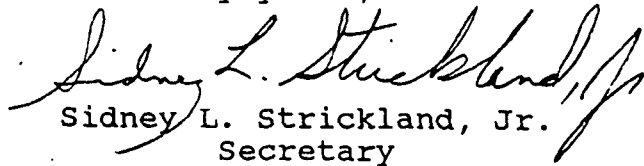
1350 New York Avenue N.W. Suite 800

Washington, D.C. 20005-4797

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/26/91 at 10:05am, and assigned recordation number(s). 17603

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

LOCOMOTIVE LEASE AGREEMENT

THIS LEASE made and entered into as of this 11th day of November, 1991, and between MONTANA RAIL LINK, INC, a Montana corporation, hereinafter called "Lessor", and BURLINGTON NORTHERN RAILROAD COMPANY, a Delaware corporation, hereinafter called "Lessee".

LESSOR AND LESSEE HEREBY AGREE AS FOLLOWS:

1. Lease: Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the Locomotives described in the schedule attached hereto as Schedule A, hereinafter called "Locomotives", upon the terms and conditions herein set forth. All Locomotives will bear the reporting marks of the Lessor. Locomotives will be clearly marked to identify the Lessor as owner and Lessee shall not remove or obscure Lessor's identification marks.

2. Inspection and Acceptance: Prior to delivery, the parties agree to make a joint inspection of each Locomotive at Livingston, Montana, or some other mutually agreed point. Unless otherwise noted in writing at the time of inspection, the Locomotives shall be considered to be in good repair and operating condition at the time of delivery to the Lessee. Except as otherwise provided in Section 10, at the time of return of the Locomotives to Lessor at a mutually agreed upon interchange point while the locomotives are still on the lines of Lessee, a joint inspection of each Locomotive shall be performed and except as otherwise determined by said joint inspection, each Locomotive shall be considered to be in good repair and operating condition at the time Locomotives are returned to Lessor.

Locomotives determined to be in other than good repair and operating condition, due to defects not noted in writing at the time of delivery to Lessee shall be repaired at the expense of Lessee before return to Lessor. Lessee will remain liable for rent until repairs are completed and the units are return to Lessor.

3. Lessee shall pay to Lessor as rental for each Locomotive, Two Hundred and Seventy Five Dollars (\$275.00) for each day or fraction thereof commencing on the date each unit is interchanged to Lessee, hereinafter called "Rent Commencement Date", until same is returned to Lessor at the expiration of the Lease Term. Lessor shall render a monthly bill against Lessee for said rental and Lessee shall pay same within thirty (30) days of receipt thereof.

Lessee shall not be entitled to any abatement of rent, reduction thereof or set-off, counterclaim, recoupment or defense against rent or any other amount payable hereunder

for any reason whatsoever, including, but not limited to, abatements, reductions, set-offs, counterclaims, recoupments or defenses due or alleged to be due by reason of any past, present or future claims of Lessee against Lessor or any other person for any reason whatsoever, except as otherwise provided herein; nor shall this Lease terminate or the obligations of Lessee be otherwise affected by reason of any defect in the condition, design, operation or fitness for use of any Locomotive or damage to or loss of possession or use or destruction of all or any of such Locomotives from whatever cause and of whatever duration, except as otherwise provided herein. Lessor hereby irrevocably appoints and constitutes Lessee its attorney-in-fact for and in its name and behalf, but for the account of Lessee, to make and enforce, from time to time, at Lessee's expense, whatever claims Lessor may have against the Locomotive manufacturer that arise or are discovered during the term of this Lease. Lessee acknowledges that Lessor is in no way connected to the Locomotive manufacturer, has no knowledge or information as to the condition or suitability for Lessee's purpose of the Locomotives; and Lessor's decision to enter into this Lease is made in reliance on Lessee's undertakings herein, including Lessee's express agreement not to assert against Lessor any claims, defenses, set-offs or counterclaims it may now or hereafter have against the Locomotive manufacturer.

4. Term: The term of this Lease shall be for a period of ninety (90) days commencing on the date of interchange for each individual locomotive described on Schedule A. Lease may be extended per the mutual agreement of the parties.

5. Warranties and Representations: LESSOR MAKES NO REPRESENTATION OR WARRANTIES, EXCEPT AS PROVIDED IN SECTIONS 10 AND 15 BELOW, OF ANY KIND RESPECTING THE LOCOMOTIVES, WHETHER STATUTORY, WRITTEN ORAL OR IMPLIED, AND LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE LOCOMOTIVES, PURSUANT TO THIS AGREEMENT TO HAVE MADE ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE WORKMANSHIP IN THE LOCOMOTIVES, ALL OF WHICH ARE EXPRESSLY DISCLAIMED AND LESSOR SHALL NOT BE LIABLE, IN CONTRACT, TORT OR OTHERWISE, ON ACCOUNT OF ANY DEFECT, WHETHER HIDDEN, LATENT OR OTHERWISE DISCOVERABLE OR NONDISCOVERABLE RESPECTING ANY LOCOMOTIVES. Lessee accordingly agrees not to assess any claim whatsoever against Lessor based thereon, except that this shall not limit Lessee's rights against the manufacturer as stated in Section 3. Lessee further agrees, regardless of cause, not to assess any claim whatsoever against Lessor for loss of anticipatory profits or consequential damages.

6. Place of Payment of Rent: Lessee shall direct payment of the monthly rent to the following address:

Montana Rail Link, Inc.
101 International Way
Missoula, Montana 59802
Attention: Chief Financial Officer

7. Recordkeeping; Inspection: Lessee agrees to keep and maintain and make available to Lessor such record of Lessee's use, operation, inspection, repairs and maintenance of each Locomotive while in its possession as shall be reasonably required by Lessor. Lessor, by such agent or agents as it may designate, shall have the right at all reasonable times to go upon the property of Lessee to inspect any Locomotive while in the possession of Lessee. Lessor agrees that its agents will sign a disclaimer or release of liability as a precondition to having access to Lessee's property.

8. Loss or Destruction: Lessee agrees it will be solely responsible for any loss, damage or destruction of any Locomotive leased from Lessor while subject to this Lease. In case any of the Locomotives during the term of the Lease period become lost, destroyed or damaged beyond economical repair, in the sole opinion of Lessee, from any cause whatsoever, (hereinafter "Casualty Occurrences"), rental with respect to any such Locomotive shall cease immediately. On the payment date next following the date of such Casualty Occurrence, Lessee shall pay to Lessor the Casualty Value of such Locomotive shown on Schedule A attached hereto, or replace such Locomotive with a similar type and condition locomotive mutually agreed upon. Upon the making of such payment or replacement by Lessee, all of Lessor's right, title and interest in such Locomotive shall automatically pass to Lessee on an as is, where is basis, and the Lease shall terminate with respect to such Locomotive.

9. Insurance: The Lessee will at all times during the term of this Lease, at its own expense, cause to be carried and maintained insurance in respect of the Locomotives in amounts and against risks comparable to those insured against by Lessee on similar equipment owned or leased by it.

10. Mechanical: Lessee will, at its sole expense, perform all running repair maintenance work, lubrication and inspection on Locomotive units in accordance with manufacturer's recommendation.

Lessor agrees to accept 100% responsibility for the

engine crankshaft and all expenses related to the failure thereof except that Lessee agrees to accept 100% responsibility for engine crankshaft at any time if said failure has been caused by misuse, negligence or accident of Lessee.

Lessor also agrees to accept 100% responsibility for the AR-10. Lessor's obligation under this paragraph shall not extend to any situation where the defect results from misuse, negligence or accident. Lessee agrees to correct all other defect which may develop under normal use and service or otherwise.

Lessor and Lessee agree to share the cost associated with failure of the turbocharger on leased Locomotives. Cost will be shared on an equal basis with each party responsible for one half of the cost of such repairs.

In the event any locomotive suffers a failure for which the Lessor has in this Section accepted responsibility, Lessee shall promptly return said Locomotive to Lessor and this lease shall terminate with respect to each Locomotive. Rental for said Locomotive shall cease on the date of such failure.

11. Indemnity: Subject to the obligations and undertakings of the Lessor specified in Sections 10 and 15 of this Lease, Lessee does hereby release, indemnify and save harmless Lessor, its successors and assigns, from and against any and all liability, loss, cost, damage, charges and expense which Lessor may incur, suffer or be in any way subjected to, resulting from or arising out of injury to or death of any person or persons whomsoever, and the loss or destruction of or damage to any property whatsoever of any persons, firm or corporation, including but not limited to the property of the parties hereto or in the care or custody of the parties hereto and from any and all claims, demands, or actions for such loss, injury or damage, caused by, growing out of or in any way connected with the lease, possession, use, maintenance or operation of said locomotives by Lessee whether attributable to the fault, failure or negligence of Lessor or otherwise. The foregoing release and indemnification apply to matters or things occurring only between the time the Locomotive is delivered to Lessee and the time the Locomotive is re-delivered to Lessor. In the event Locomotives are used in Bridge Service over MRL, the provisions of the July 27, 1987 agreement will apply.

12. Assignment: Lessee shall not assign or sublet its interest in any part thereof, under this Lease, or permit the use or operation of any Locomotive subject to this Lease by any other person, firm or corporation, other than wholly-

owned subsidiaries, without the prior written consent of Lessor. Lessor expressly consents to incidental operation and use on railroads other than Lessee's under standard run-through and power pooling arrangements. Lessor may at any time assign all or any portion of the rents due or to become due, and/or the leased property without notice to Lessee and in such event Lessor's transferee as assignee shall have all the rights, powers, privileges and remedies of the Lessor hereunder. Lessee shall have no obligation to pay any assignee, and shall continue to pay Lessor, until such time as notice of such assignment is given to Lessee in accordance with Section 13.

13. Unless otherwise specifically provided, any notices to be given under this Lease or any other communications between the parties shall be given by certified mail, postage prepaid, in the following manner:

- (a) Notices from Lessor to Lessee shall be sent to:
Burlington Northern Railroad Company
Continental Plaza
777 Main Street
Fort Worth, Texas 76102
Attention: Edward L. Bauer. Jr.

or to such other address as Lessee may from time to time indicate by written notice to Lessor.

- (b) Notices from Lessee to Lessor shall be sent to:
Montana Rail Link, Inc.
101 International Way
Missoula, Montana 59802
Attention: President

or to such other address as Lessor may from time to time indicate by written notice to Lessee.

14. Compliance with Law; Repair, Maintenance and Liens: Lessee shall comply with FRA and all other applicable government regulations and requirements and other binding regulations with respect to use, maintenance and operation of the Locomotives during the Lease period.

The Lessee shall use the Locomotives only in the manner for which designed and intended and subject them only to ordinary wear and tear. Lessee shall, at its own cost and expense, maintain and keep the Locomotives in good order, condition and repair, ordinary wear and tear excepted. Any parts installed or replacements made by Lessee upon the Locomotives shall be considered accessions to the Locomotives and title thereto shall be immediately vested in Lessor, without cost or expense to Lessor. Lessee will not permit any liens or encumbrances to be placed on the

Locomotives and will promptly take action, at its expense, to remove and discharge any liens that may be placed on the Locomotives.

15. Quiet Enjoyment: So long as Lessee makes its aforesaid rental payments and otherwise complies with the terms and provisions of this lease, Lessee shall be entitled to the use and possession of the Locomotives according to the terms hereof without interference by the Lessor or by any party lawfully claiming by or through the Lessor.

16. The undersigned signatories herewith represent and warrant that they are fully authorized to execute this Lease and bind the respective parties to the terms and provisions hereof.

17. Late Charges: Delinquent installments of rent shall bear interest at the rate of 1-1/2% per month if not prohibited by law, otherwise at the highest lawful contract rate.

18. Filing and Administration: Lessor will, on behalf of Lessee promptly cause this Lease to be duly filed, registered or recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. 11303 for the protection of Lessor's title and will furnish Lessee proof thereof. Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, re-register, or re-record whenever required) any and all further instruments required by law or reasonably requested by Lessor, for the purpose of protecting Lessor's title to the Locomotives to the satisfaction of Lessor's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to Lessor proof of such filing.

19. Taxes: Lessee, or Lessor at Lessee's expense, shall report, pay and discharge when due all license and registration fees, assessments, sales, but only as it relates to a sale to Lessee, use and property taxes, gross receipts taxes arising out of receipts from use or operation of Locomotives including without limitation amounts payable under Section 3 hereof and other taxes (excluding any tax measured by Lessor's net income), together with any penalties or interest thereon, imposed by any state, federal or local government upon the Locomotives and whether or not the same shall be assessed against or in the name of Lessor or Lessee.

20. Default: If the Lessee, after five (5) business days' notice of default, shall fail to carry out and perform any of the obligations on its part to be performed under

this Lease, or if a petition, in bankruptcy, for reorganization, for a Trustee, or for a Receiver, shall be filed by or against the Lessee, then, in any of said events, Lessor shall have all rights available to it at law or in equity, including without limitation the right immediately to repossess the Locomotives, to remove the Locomotive Lessee's service, to terminate this Lease, and recover any and all damages sustained as a result of Lessee's default. If Lessor shall terminate this Lease pursuant to this Section, Lessee shall remain liable for all unpaid rent and other amounts due hereunder. The rights and remedies herein given are provided by law or in equity.

Should any proceedings be instituted by Lessor for monies due to Lessor hereunder and/or for possession of any or all of the Locomotives or for any other relief, Lessee shall pay Lessor a reasonable sum as attorney's fees. In addition to any remedies provided herein, Lessor shall have all the rights provided to a Lessor under Section 1168 of Title 11 of the United States Code and any successor provision thereto.

21. Laws Governing Lease: The Agreement shall be governed by and construed in accordance with the laws of the State of Montana.

22. Miscellaneous: If any part hereof is contrary to, prohibited by or deemed invalid under applicable laws or regulations of any jurisdiction, such provision shall be void and deemed omitted but shall not invalidate the remaining provisions hereof. Lessee acknowledges the receipt of a true copy of this Locomotive Lease Agreement.

23. Return Provision. Upon expiration or termination of this Lease, the Locomotives will be delivered at Lessee's expense to an interchange location on the lines of the Lessee that is mutually agreed upon with the Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this document to be executed and delivered tghat day and year first written.

BURLINGTON NORTHERN RAILROAD COMPANY, Lessee

By: *d. d. Francis*
Title: *As VP Jnm*
Date: *11-12-91*

MONTANA RAIL LINK, INC., Lessor

By: *William H. Bobby*
Title: President
Date: *11-11-91*

STATE OF MONTANA)
) §
COUNTY OF MISSOULA)

On this 11th day NOVEMBER, 1991, before me personally appears William H. Brodsky, to me personally known, who being by me duly sworn says that he is President of MONTANA RAIL LINK, that said instrument was signed and sealed on behalf of said corporation by authority of its President and Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

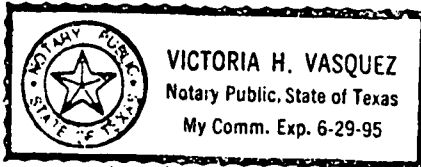
Beverly Henderson
Notary Public

My Commission Expires:
10-23-93

[Notarial Seal]

STATE OF TEXAS)
) §
COUNTY OF TARRANT)

On this 12th day of November, 1991, before me personally William W. Francis, to me personally known, who, being by me duly sworn, says that he is Senior Vice President of BURLINGTON NORTHERN RAILROAD COMPANY, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Victoria H. Vasquez
Notary Public

My Commission Expires:

[Notarial Seal]

SCHEDULE A

Locomotive Description: General Motors (Electro Motive Division)
SD40, 3000 H.P. Diesel Electric Locomotives.

The Locomotive numbers are as follows:

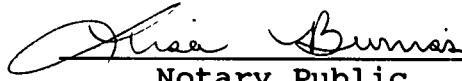
<u>LOCOMOTIVE NUMBER</u>	<u>BLDR</u>	<u>TYPE</u>	<u>HORSEPOWER</u>	<u>DAILY RENTAL RATE</u>	<u>CASUALTY VALUE</u>
MRL 200	EMD	SD40	3000	\$275.00	\$250,000.00
MRL 206	EMD	SD40	3000	\$275.00	\$250,000.00
MRL 213	EMD	SD40	3000	\$275.00	\$250,000.00
MRL 215	EMD	SD40	3000	\$275.00	\$250,000.00
MRL 216	EMD	SD40	3000	\$275.00	\$250,000.00
MRL 218	EMD	SD40	3000	\$275.00	\$250,000.00
MRL 220	EMD	SD40	3000	\$275.00	\$290,000.00
MRL 221	EMD	SD40	3000	\$275.00	\$324,000.00
MRL 222	EMD	SD40	3000	\$275.00	\$362,000.00
MRL 223	EMD	SD40	3000	\$275.00	\$338,000.00

C E R T I F I C A T E

I, Lisa Z. Buriss, have compared the foregoing copy of the locomotive lease agreement executed by and between Burlington Northern Railroad Company and Montana Rail Link, Inc., with the original agreement and found the copy to be complete and identical in all respects to the original document.

Date: Nov. 25, 1991

District of Columbia)
) ss
)


Notary Public

My Commission Expires:

My Commission Expires September 14, 1995